

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION  
HEARING OF JANUARY 21, 2004**

**REGULAR MEETING**

**9:00 A.M.**

**JANUARY 21, 2004**

**PRESENT:**

<b>COMMISSIONERS:</b>	<b>Gerald W. Smith, Chairman</b>	<b>Richard P. Pearson</b>
	<b>Jim Bagley, Vice Chairman</b>	<b>Bill Postmus</b>
	<b>James V. Curatalo, Alternate</b>	<b>A.R. "Tony" Sedano, Alternate</b>
	<b>Bob Colven</b>	<b>Diane Williams</b>
	<b>Neal Hertzmann, Alternate</b>	

**STAFF:**                   **Kathleen Rollings-McDonald, Executive Officer**  
                              **Clark H. Alsop, Legal Counsel**  
                              **Debby Chamberlin, Clerk to the Commission**

**ABSENT:**

**COMMISSIONERS:**   **Paul Biane**  
                              **Dennis Hansberger, Alternate**

**REGULAR SESSION - CALL TO ORDER – 9:05 A.M.**

Chairman Smith calls the regular session of the Local Agency Formation Commission to order and he leads the flag salute.

Chairman Smith requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

**APPROVAL OF MINUTES FOR REGULAR MEETING OF NOVEMBER 19, 2003**

Chairman Smith calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Colven moves approval of the minutes as presented, seconded by Commissioner Pearson. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Biane.

**CONSENT ITEMS**

LAFCO considers the items listed under its consent calendar. Chairman Smith states that the consent calendar consists of: (1) approval of the Executive Officer's expense report; (2) approval of payments as reconciled for the months of November and December 2003; and (3) one service contract. A Travel Claim for the Executive Officer's expense report, and staff reports for the reconciled payments and the service contract have been prepared and a copy of each is on file in the LAFCO office and is made a part of the record by its reference herein. Consent calendar items have been advertised as required by law through publication in The Sun, a newspaper of general circulation. In addition, the service contract was advertised in the Redlands Daily Facts, a newspaper of general circulation in the area.

The service contract proposal is summarized as:

Consideration of: (1) Review of Categorical Exemption Prepared by City of Redlands  
For Pre-Annexation Agreement No. 03-05, as CEQA Responsible Agency for LAFCO

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SC#215; and (2) LAFCO SC#215 – City of Redlands OSC 03-05 for Water Service  
(APN 0299-071-08)

The staff recommendation is that the Commission approve the Executive Officer's expense report and payments as reconciled and take the following actions for the service contract: (1) make the appropriate environmental determination as outlined in the staff report; (2) approve SC#215 authorizing the City of Redlands to extend water services outside its boundaries to APN 0299-071-08; and (3) adopt LAFCO Resolution No. 2797 outlining the Commission's findings, determinations and approval of the agreement.

Chairman Smith asks whether there is anyone present wishing to discuss any of the consent calendar items. There is no one.

Commissioner Pearson moves approval of the consent calendar, seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Biane.

(It is noted that Commissioner Hertzmann arrives at approximately 9:08 a.m.)

**DISCUSSION ITEMS**

**CONSIDERATION OF: (1) REVIEW OF NEGATIVE DECLARATION WITH MITIGATION MEASURES PREPARED BY COUNTY OF SAN BERNARDINO FOR 11855CF1/W55-84/2003/TT16234/TT01/CUP01 -- TENTATIVE PARCEL MAP 16234 TO CREATE SEVEN LOTS ON 2.79 ACRES AND CONDITIONAL USE PERMIT TO ESTABLISH SEVEN SPECULATIVE INDUSTRIAL BUILDINGS ON 2.79 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#203; AND (2) LAFCO SC#203 -- CITY OF UPLAND IRREVOCABLE AGREEMENT TO ANNEX NO. SSA-2003-06-01 FOR SEWER SERVICE – APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to consider approval of an out-of-agency service agreement submitted by the City of Upland (hereinafter referred to as "the City"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that the City of Upland has submitted a request for approval of an out-of-agency service agreement to extend sewer service to two parcels on 3.06 acres, generally located on the north side of Arrow Route, approximately 380 feet west of Benson Avenue. She notes that these parcels are within the island area known as "College Heights". She reports that the annexation of that island area was terminated due to registered voter protest, so the property owner requested the extension of sewer service by the City. She explains that the south half of the site, which is a portion of APN 1007-271-20, is improved with a dairy mart and small real estate office and receives water from the City but not sewer. She says the balance of the two parcels are vacant. Ms. McDonald says the County Land Use Services Department processed approval of Tentative Parcel Map 16234 and a Conditional Use Permit for development of seven industrial buildings on the site and says the Conditions of Approval require that the buildings be connected to the City's sewer system. She explains that the service will be provided through the extension of an eight-inch sewer main, approximately 1,400 feet easterly from the intersection of Hervey Avenue and Arrow Route. She reports that the City has a reimbursement agreement that applies to this facility and that the City will be the collection agent so that the parcels on the north side will reimburse the developer for the costs of the line construction. She says the costs are outlined in the staff report and says staff recommends approval of this service agreement to allow the proposed development to proceed while the City continues its efforts to address the College Heights island area. Ms. McDonald says the staff recommendation is on pages one and two of the staff report and includes that the Commission: (1) take the listed actions for environmental review, as a CEQA responsible agency; (2) approve SC#203; and (3)

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adopt LAFCO Resolution No. 2798 setting forth the Commission's findings, determinations and approval of the agreement for service outside the City's boundaries.

Chairman Smith opens the public hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Postmus. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Biane.

**CONSIDERATION OF: (1) REVIEW OF NEGATIVE DECLARATION PREPARED BY COUNTY OF SAN BERNARDINO FOR 11631CF1/W156-104/2003/TPM16117/TPM01/CUP01 -- TENTATIVE PARCEL MAP 16117 TO CREATE FOUR LOTS ON 4.67 ACRES AND CONDITIONAL USE PERMIT TO ESTABLISH FOUR 15,000 SQUARE FOOT SPECULATIVE INDUSTRIAL WAREHOUSE/OFFICE BUILDINGS ON 4.67 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#213; AND (2) LAFCO SC#213 -- IRREVOCABLE AGREEMENT TO ANNEX NO. 03-0006 FOR SEWER SERVICE, CITY OF FONTANA -- APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to consider approval of an out-of-agency service agreement submitted by the City of Fontana (hereinafter referred to as "the City"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Fontana Herald News, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that the City has submitted a request for approval of an out-of-agency service agreement, on behalf of the property owner, to extend sewer service to a parcel generally located at the northwest corner of the intersection of Boyle and Poplar Avenues in the south central portion of the City's sphere of influence. She says the current use on this parcel is vacant land but says it is proposed for development of four individual industrial warehouse/manufacturing buildings on 4.67+/- acres. She says the County Land Use Services Department processed the approval of Tentative Parcel Map 16117 and a Conditional Use Permit and that the Conditions of Approval require connection to the City's sewer system. She reports that the developer will be required to extend the sewer line approximately 685 feet westerly from the intersection of Poplar and Boyle Avenues and install four laterals from that facility. She says an outline of the costs to the developer is included in the staff report, noting that the developer will pay one and one-half times the in-City rate. She says staff recommends approval of this service agreement which will allow the developer to finalize his development plans. Ms. McDonald says the staff recommendation is on pages one and two of the staff report and includes that the Commission: (1) take the listed actions for environmental review, as a CEQA responsible agency; (2) approve SC#213; and (3) adopt LAFCO Resolution No. 2799 setting forth the Commission's findings, determinations and approval of the agreement for service outside the City's boundaries.

Chairman Smith opens the public hearing and asks if there is anyone wishing to speak on this item.

Al Diaz, representing the William Fox Group, the developer of the project, reports that he just met with City staff who has recommended that a ten-inch sewer main extension, rather than an eight-inch sewer main extension, as listed on page two of the staff report, be connected to the existing 21-inch sewer main in Poplar Avenue. He says this will add some costs to their development but that it will be better for the City.

Cecilia Lopez-Henderson, Senior Administrative Analyst for the City, states that as Mr. Diaz mentioned, the City's Engineering staff concurs that the sewer main should be upgraded from eight to ten inches. She says this will work well for the City and the property owner who will receive the sewer service and she says the City concurs with the staff recommendation.

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Chairman Smith asks if there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes. None. Abstain: None. Absent: Biane.

**CONSIDERATION OF: (1) REVIEW OF NEGATIVE DECLARATION WITH MITIGATION MEASURES PREPARED BY COUNTY OF SAN BERNARDINO FOR 11872CU1/W136-971/2003/CUP01-- CONDITIONAL USE PERMIT TO ESTABLISH INDUSTRIAL BUILDING TO BE USED AS WAREHOUSE AND DISTRIBUTION FACILITY, NOT TO EXCEED 529,000 SQUARE FEET, INCLUDING 24,960 SQUARE FEET OF OFFICE SPACE ON 26.6 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#216; AND (2) LAFCO SC#216 -- IRREVOCABLE AGREEMENT TO ANNEX NO. 03-00011 FOR SEWER SERVICE, CITY OF FONTANA -- APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to consider approval of an out-of-agency service agreement submitted by the City of Fontana (hereinafter referred to as "the City"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Fontana Herald News, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that the City has submitted a request for approval of an out-of-agency service agreement, on behalf of the property owner, to extend sewer service to a parcel generally located between Calabash and Mulberry Avenues, approximately 400 feet north of Valley Blvd. She says the parcel is currently vacant land but says that the County Land Use Services Department has processed the approval of a Conditional Use Permit allowing for development of an industrial building to be used as a warehouse and distribution facility and an office space on the 26.6 acre parcel. She reports that the Conditions of Approval on the project require connection to the City's sewer system. She explains that an eight-inch sewer line must be extended northerly in Calabash Avenue from the City's existing 18-inch sewer main in Valley Blvd., about 1,600 feet. She notes that the extension will front other parcels in the area and says the City has a reimbursement agreement for those additional parcels if they connect within one year of construction of that line. She says the costs for this extension are outlined in the staff report and that the occupants of this development will be charged one and one-half times the in-City rate. She says staff recommends approval of this service agreement to allow the development to proceed. Ms. McDonald says the staff recommendation is on pages one and two of the staff report and includes that the Commission: (1) take the listed actions for environmental review, as a CEQA responsible agency; (2) approve SC#216; and (3) adopt LAFCO Resolution No. 2800 setting forth the Commission's findings, determinations and approval of the agreement for service outside the City's boundaries.

Commissioner Colven asks whether people are charged one and one-half times the in-City rate because of the added flow. Ms. McDonald says that is a premium rate charged to people outside the City's service area. She says a number of cities charge premium rates when they provide out-of-agency service.

Commissioner Hertzmann asks why the negative declaration is not called a mitigated negative declaration. Ms. McDonald says Mr. Dodson can answer that but she says she believes the County simply adopts a negative declaration with mitigation measures. Tom Dodson, Environmental Consultant, says negative declaration is a term used when a negative declaration is filed with the Clerk of the Board of Supervisors or the State Clearinghouse. He explains that it often has mitigation measures and he says the term "mitigated negative declaration" simply means it is a negative declaration with mitigation

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measures. He says there are a number of negative declarations issued where there are no adverse impacts at all and no mitigation measures are imposed to reduce impacts.

Chairman Smith opens the hearing and calls on those wishing to speak.

Michael Richardson, representing The Alter Group, the contract purchasers of the property, states he is present to answer any questions and requests support for staff recommendation.

Cecilia Lopez-Henderson, Senior Administrative Analyst for the City, says they have been working closely with the Alter Group and are happy to see this application come to completion. In answer to earlier inquiry of Commissioner Pearson, Ms. Henderson reports that the City just adopted its Development Code, a companion to the General Plan adopted in October, and says the ordinance for the Development Code will take effect 30 days from yesterday. She reports that the City is working on a project for annexation of about 84 acres along the south side of Foothill Blvd., from East Avenue over to Cherry Avenue and down to parcel lines. She says the City is offering street improvements for annexation and says she is "testing the waters" now to determine whether property owners are in favor of annexing. She adds that they have also seen some interest in annexation on the south side of Fontana, on the south side of the I-10 Freeway along Cherry Avenue, and says they are working on two large areas there.

Chairman Smith asks if there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes. None. Abstain: None. Absent: Biane.

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2951; AND (2) LAFCO 2951 -- CONFIRMATION OF STREET SWEEPING POWERS FOR COUNTY SERVICE AREA 64 (SPRING VALLEY LAKE) -- APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to consider confirmation of street sweeping powers for County Service Area 64 (hereinafter referred to as "CSA 64" or "the District"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Daily Press, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that several months ago, staff questioned the Special Districts Department staff about an agenda item regarding contracting for street sweeping service in the Spring Valley Lake area. She points out that the LAFCO-authorized services for CSA 64 are water, sewer and roads, and explains that street sweeping is a separate, defined function under CSA law, under miscellaneous extended services, and has not been authorized. She says Special Districts staff indicated that the District has been providing street sweeping services within the general Spring Valley Lake area since 1977, assuming they were authorized under the District's road powers. She states that on the basis of the long-term, historic provision of this service, staff recommends confirmation of this service as being authorized for CSA 64.

Ms. McDonald says the only question staff has with the District is the area in which the service is provided, since CSA 64 is much larger than the community of Spring Valley Lake and includes territory within the City of Victorville and the Town of Apple Valley. She says Special Districts staff was asked whether the provision of this service should be reviewed as to the whole area and coordinated with the other entities, since the revenues for the provision of this service are from road assessments and/or general ad valorem taxes derived from the much larger area. She notes that LAFCO does not have the authority to impose a condition to do that, but says staff asked the question anyway. Ms. McDonald says the staff recommendation is on page one of the staff report and includes that the Commission: (1) certify

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that LAFCO 2951 is statutorily exempt from environmental review and instruct the Clerk to file a Notice of Exemption within five working days; (2) confirm the delivery of street sweeping services as an authorized power of CSA 64, amending the Rules and Regulations affecting Special Districts to reflect this addition; and; and (3) adopt LAFCO Resolution No. 2801 setting forth the Commission's findings, determinations and approval of this action.

Commissioner Pearson asks why this went on for so many years. Ms. McDonald responds that the District staff assumed that street sweeping services were authorized under the road powers. Commissioner Bagley says that is a reasonable assumption. He says he is concerned about the conflicting boundaries there but says that will probably have to be resolved in the future. Ms. McDonald states that the existence of CSA 64 has been specifically maintained in those areas.

Chairman Smith opens the public hearing and asks if there is anyone wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Postmus moves approval of staff recommendation, seconded by Commissioner Williams. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Postmus, Smith, Williams. Noes: None. Abstain: None. Absent: Biane.

(It is noted that Commissioner Postmus leaves the hearing at 9:25 a.m.)

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTIONS FOR LAFCOS 2901, 2917 AND 2918; AND (2) SERVICE REVIEWS PURSUANT TO GOVERNMENT CODE SECTION 56430 AND SPHERE OF INFLUENCE UPDATES PURSUANT TO GOVERNMENT CODE SECTION 56425 FOR: LAFCO 2901 – INLAND EMPIRE WEST RESOURCE CONSERVATION DISTRICT; LAFCO 2917 – EAST VALLEY RESOURCE CONSERVATION DISTRICT; AND LAFCO 2918 – RIVERSIDE-CORONA RESOURCE CONSERVATION DISTRICT -- APPROVE STAFF RECOMMENDATION AND DIRECT STAFF TO BRING BACK TO COMMISSION AS SOON AS POSSIBLE A COUNTY-WIDE SERVICE REVIEW OF RESOURCE CONSERVATION DISTRICTS**

LAFCO conducts a public hearing to consider service reviews and sphere of influence updates for the Inland Empire West Resource Conservation District, East Valley Resource Conservation District, and Riverside-Corona Resource Conservation District. Notice of this hearing has been advertised as required by law through publication in The Sun, the Inland Valley Daily Bulletin, and the Riverside Press-Enterprise, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that in the spring of 2002, the Commission deferred the consideration of the service review/sphere update for the Inland Empire West Resource Conservation District (Inland Empire West RCD) until Resource Conservation Districts (RCDs) within the East Valley were reviewed on the basis that these regional agencies should be considered at one time. She says this hearing will open a discussion of the three resource conservation service providers in the Valley portion of the County: Inland Empire West RCD, East Valley RCD, and Riverside-Corona RCD. She notes that Attachment 1 to the staff report includes maps of the three Districts' regional location as well as their individual District boundaries. She says that Attachment 2 to the staff report provides an outline of what an RCD is and the services it can perform under its principal act, along with information from the California Association of Resource Conservation Districts' website. These documents provide a broad background on the governance, service delivery, and history of these entities and she summarizes this information as outlined in the staff report. She points out that this Commission has had little official contact with these agencies due to their regional nature and lack of annexation activity. She reports, however, that in 2001, former Executive Officer Jim Roddy brought to the attention of the Commission financial problems associated with the Inland Empire West RCD and she says the Commission directed staff to look at that agency with the other RCDs during the mandated service reviews/sphere updates.

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Ms. McDonald reports that this morning, prior to this meeting, representatives of the Inland Empire West RCD indicated that they are not prepared for this hearing because they did not receive their staff report until yesterday and were unable to prepare a response to the information presented. She says she advised the District's General Manager that he should request a one-month continuance to allow the District to prepare its response to the staff report. She says if the Commission feels a 30-day continuance is appropriate, it can continue the hearing; or she says she can continue with her report and the continuance can be discussed after her presentation.

Commissioner Pearson comments that AB 2838 set these service reviews in motion, with the focus on improving efficiencies and avoiding duplications. He asks whether anything was indicated to the District when the West Valley reviews were started two years ago as to the purpose of service reviews. Ms. McDonald says the issue of what service reviews and sphere updates were intended to do was reviewed with the agencies when the service reviews were initiated. She says, however, there is some confusion as to whether the issue of a potential consolidation was discussed in the past with the Inland Empire West RCD, but she adds that she does know it was discussed in a meeting in June with a representative of that District. She says that staff desires to make everyone aware of, and understand the ramifications of, the staff recommendations, which propose monumental changes, and, therefore, has no problem with a 30-day continuance to allow the Inland Empire West RCD time to review the report and prepare its presentation.

Commissioner Colven asks whether the fiscal investigation of the Inland Empire West RCD has been completed. Ms. McDonald responds that the investigation was conducted by the District and says the Commission received newspaper articles on questions and concerns that ultimately were addressed by the District. She says a new District Manager, Paul Hogan, was hired, she believes in 2001, and says he is present and can discuss that process.

Commissioner Hertzmann asks whether, with the landscape changing so much, the conclusion of the Commission adopted 25 years ago--that RCDs continued to perform a needed function by providing a local liaison for the Federal Soil Conservation Service, but that consolidations of the districts within this County should be pursued--would be the same conclusion today. Ms. McDonald responds that the conclusion of the Commission, as a result of that study conducted in 1979, would be the same today. She says there are a number of RCDs throughout the State and that there could be an RCD that covers multiple counties. She notes that the Inland Empire West RCD was created from the consolidation of three soil conservation districts. She says that conservation within watersheds is now the primary purpose for defining RCD boundaries.

Commissioner Pearson asks whether it would be appropriate to take an action today on the staff recommendation for the Riverside-Corona RCD, since it does not seem to be impacted by the concerns related to the other two RCDs. Ms. McDonald says staff recommends establishing a sphere of influence for the Riverside-Corona RCD, to maintain its bi-county status so that it remains exempt from participating in the State-mandated Educational Revenue Augmentation Fund (ERAF) funding. She explains that removal of that territory from this County would reduce the District's property tax funding by approximately 20% in both San Bernardino and Riverside Counties. Commissioner Pearson suggests that the Commission take the recommended action for the Riverside-Corona RCD and allow the representatives of the other two RCDs to comment on the proposed continuance.

Commissioner Pearson moves approval of staff recommendation No. 2 on page two of the staff report, which is approval of a sphere of influence establishment for the Riverside-Corona RCD, noting it will be coterminous with the District's boundaries within San Bernardino County.

Chairman Smith states he must open the public hearing first.

Commissioner Bagley says he questions the need for these agencies, stating that they have had to reinvent themselves to stay in business. He points out that neither of the Board of Supervisors members are present today, but says he thinks that what the RCDs do may be a duplication of processes that

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should occur in County and city general plans. He discusses that air quality districts are interested in soil conservation and that the County and city general plans also address soil conservation and says he does not believe any member of this Commission personally interacts with the decisions or findings of these agencies. He says that in the 1930's during the Dust Bowl, an RCD was probably a viable entity, but he says he is not sure why they are being funded today. He says one of LAFCO's functions is to examine the validity of an entity and that this is a good time to do that. Chairman Smith says he has heard from people that RCDs may not be needed any longer. He comments that the Board of Directors of the RCDs are appointed, rather than elected. Ms. McDonald explains that they have opted to be appointed by the Board of Supervisors of their counties in order to save money.

Commissioner Pearson says he agrees with Commissioner Bagley, but he says they should also keep in mind that maybe the focus of the RCDs needs to change. He notes that an RCD might be involved in the issue of watershed areas as a result of the recent fires and the impacts they are having on soil erosion. Commissioner Bagley says he thinks that the review of those types of things is a local government's function.

Ms. McDonald discusses that RCDs are changing and evolving, with the diverse land uses in this State and huge agricultural uses to the north. She points out that RCDs are a liaison to the Federal Soil Conservation Service and says they have proven to be a viable function in working with the Santa Ana Watershed Authority and others. She notes that there is also the potential for these agencies to be involved in habitat conservation and says staff can check to see whether the RCDs propose to do that. Ms. McDonald says that if the Commission wants to undertake a larger study to see whether there are further consolidations that could take place, or to see whether RCDs perform a function that could be taken over by another entity, that can be reviewed.

Commissioner Bagley says that if they continue this for 30 days, these RCDs need to justify their existence at that time or he may make a motion that it is time for them to go away. Ms. McDonald states that if the Commission is going to look at the viability of RCDs, the Mojave Desert RCD, which has not yet been addressed, should also be included in this process so that it can also provide information regarding its viability. She says she can get together with all of the RCDs and advise them that the Commission has requested that they provide information as to why they are viable and needed in this County. She says, however, that cannot be done in 30 days and she suggests this be continued for three or four months.

Commissioner Williams comments that in the City of Rancho Cucamonga, the fire issue is a City and County Flood Control District issue. She says it appears that RCDs are "middlemen" and says if they are eliminated things would still get done. She says if the County were put in charge of watershed, it could handle that, as opposed to having an RCD do it, and says they will get much more "bang for their buck" by cutting out the middleman. She says she took the Governor's speech very seriously and says it has been made very clear that in the next year every commission and district will be looked at to see whether it is useful or can be eliminated and money put back into the State coffers. She points out that under AB 2838, that is the Commission's charge. Ms. McDonald says the purpose of the service reviews is to provide information to everyone as to what agencies exist in this County and the services they provide. Commissioner Bagley states a County-wide service review of RCDs would be appropriate and says he will make that motion after the public hearing.

Chairman Smith opens the hearing and calls on those wishing to speak.

Paul Hogan, General Manager of the Inland Empire West RCD, says he is present today to make a case for what RCDs do. (Information related to the services provided by this District is provided in Attachment 4 to the staff report.) Mr. Hogan says the District performs invasive weed abatement, which provides for additional flows of water down the channel. He says they do endangered species monitoring in conjunction with the U.S. Fish & Wildlife Service and do habitat restoration projects. He says they have an agreement with the U.S. Department of Agriculture Natural Resource Conservation Service (NRCS) and provide office space and a base of operations for NRCS employees from which to provide services in this County. He reports that they have an emergency watershed protection program through



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the NRCS and says the NRCS employees have been working with the cities, the County and Flood Control District, across the fire burn area in the Rancho Cucamonga area, doing disaster survey reports, which brings in Federal dollars that mitigate and help prevent soil erosion and protect public property, homes and businesses. He says there are 260 dairies in the Chino Basin and says the NRCS staff assists dairies in meeting water quality requirements of the Regional Water Quality Control Board. Mr. Hogan discusses various educational programs the District provides for youth and school districts, noting that they have an agreement with the Orange County Water District and utilize their wetlands as an educational site. He reports that the District moved into facilities built by the Inland Empire Utilities Agency and says they are working with that agency on the Chino Green Program to provide trees for schools.

Chairman Smith asks if any Commissioners have questions for Mr. Hogan.

(It is noted that Commissioner Curatalo arrives at 10:05 a.m.)

In response to inquiry of Commissioner Bagley regarding the District's budget and office operations, Mr. Hogan reports that the District receives about \$280,000 from its share of property tax revenues, but he discusses that their budget is somewhere around \$1.7 million when they tie in the monies received for various grant projects. He says the District used to contract with the County for payroll services but says that recently changed and the District now contracts with Pay Checks for its payroll. Commissioner Bagley comments that the District is doing some "nice to do" things, which may not be essential, and he says that reading the information in the staff report and hearing the District's presentation this morning has not changed his thinking that it is time to look at the RCDs.

David Hansberger, Manager of the East Valley RCD, says he was present today to indicate his District's agreement with the staff recommendation for consolidation. (Information related to the services provided by this District is provided in Attachment 5 to the staff report.) Mr. Hansberger agrees that RCDs are middlemen and he reports that his District is doing projects for the NRCS and the Army Corps of Engineers in the Big Bear area and in the San Timoteo Canyon. He says they do work for the County Flood Control District and they also work with developers and contractors who come to them for mitigation work. He says they do restoration and eradication work and have an educator on staff to provide programs for the public and in schools. He reports that the District's budget is \$88,890 derived from property tax revenues and says the remainder of their money comes from grants and mitigation work they get through contractors and the Army Corps of Engineers. He notes that they currently have two \$1 million grants from the Federal Government and are doing work throughout the Santa Ana Watershed. Mr. Hansberger says they are the middleman, and do jobs that no other agency is willing to do. He notes that the District's Board President is also present if there are any questions.

In answer to inquiry of Commissioner Hertzmann, Mr. Hansberger discusses what the Santa Ana Watershed is. Chairman Smith asks Mr. Hansberger how much time he would need to put together a presentation if this issue is continued. He responds that his District would not need more than 30 days; however, he points out that the Mojave Desert RCD does not know that this discussion is going on. He adds that the County Regional Parks Department is building a new park in the Colton area and says his District will establish the wetlands on the banks of the Santa Ana River and that someone will be housed there to run an educational program seven days a week for the public.

Commissioner Colven asks him if he feels that a consolidation would reduce costs by combining all the activities under a central administration. Mr. Hansberger says there would probably be a minimum savings of \$90,000 and a maximum savings of \$130,000, without reducing services, since there would be no need for two general managers or utilities and rent for two buildings.

Commissioner Sedano asks Ms. McDonald if she has finished her presentation. She responds that if the Commission wants to discuss the possibility of consolidation, she can expand on the service review and sphere of influence determinations recommended. She says, however, that given the request for a continuance by the Inland Empire West RCD and the direction they may be taking to conduct a County-wide study of RCDs, her presentation is over and she would recommend that the Commission continue

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this issue a minimum of four months to allow time for all the RCDs, including Mojave Desert, to participate. Commissioner Sedano says the staff report is very thorough and complete; that he has heard a lot of dialogue today; and that if he could vote, he would move staff recommendation. He asks why they should postpone this when they can adopt staff recommendation and then come back with a study later.

Commissioner Bagley comments that most of the East Valley RCD's money comes from grants and he asks how their payroll is handled. Mr. Hansberger says they have an accountant come in every two weeks; he says he does the payroll and a payroll company pays out the checks. Commissioner Bagley says part of the problem that he has is that if the Federal grants dried up, the District agrees it would have a hard time paying the bills. Mr. Hansberger point out that the District just received two \$1 million Federal grants, one for this year and one for next year.

Kerwin Russell, Resource Management Specialist for the Riverside-Corona RCD, says their District Manager, Shelli Lamb, wanted to be present but is at jury duty. (Information related to the services provided by this District is provided in Attachment 6 to the staff report.) Mr. Russell says the RCDs work on very similar programs and says a lot of districts are working with mitigation and land acquisition. He explains that many Federal and State agencies require that programs are done by a non-regulatory, non-enforcement type agency. He reports that an RCD has that function, and is the only agency in the State that does; and he says that often the wildlife agencies will ask an RCD to be the middleman—to conduct programs, enforce monitoring and do field work. He says many counties and cities do not have the budget, staff or expertise to perform this function. He says Riverside County has just started its Multispecies Habitat Plan, but he says the County has no way of implementing it with the current levels of staff and funding. He says the Santa Ana Watershed Association will assist the County in implementing that plan. Mr. Russell says that if the Commission continues this issue, the Riverside-Corona RCD will put together a presentation. He points out that Riverside County is very supportive of conservation districts, which he says are very active and deal with many issues that are not agrarian situations.

Chairman Smith asks if there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Pearson states he will amend his original motion and move approval of the staff recommendation for two reasons. First, he says the basis for his previous motion to approve the sphere establishment for the Riverside-Corona RCD was so that the relationship of that District with Riverside and San Bernardino Counties would not be jeopardized. Second, he says he is glad Commissioner Bagley brought up the issue he did. He says that with the current fiscal crisis in the State, the Governor wants to set up a commission to review different agencies to see whether they should be kept, consolidated or privatized, and he says he supports LAFCO helping to identify where efficiencies can be made. He says approval of staff recommendation will be a step to improve the efficiency of what exists now and that the Commission will go on record that it recognizes the concerns in the State and can make recommendations, through elected County and State officials, that possibly the State should look at RCDs and see if there is a better way to do things.

Commissioner Williams states she will second the motion, with the caveat that within one year a study of these RCDs in the County be undertaken. She comments that it is "scary" that the State is creating another agency to look at the efficiencies of agencies, when AB 2838 gave LAFCOs that charge.

Ms. McDonald says the staff recommendation today relates only to sphere determinations, the expansion of East Valley RCD's sphere and the declaration of a "zero" sphere for Inland Empire West RCD, and she says a consolidation of districts would require a future action by the Commission. She suggests that staff be directed to include in the resolutions that the Districts have six months to put together a consolidation package or the Commission will consider initiating a consolidation on its own. Commissioner Williams comments that she believes four months is plenty of time, since the Commission will probably have to initiate a consolidation anyways. She suggests they go ahead with the motion.

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Legal Counsel Clark Alsop clarifies that the motion on the floor is for approval of staff recommendation, as outlined on pages one and two of the staff report, and says staff recommendation does not initiate any consolidation or dissolution. He says the question is whether the Commission wants the resolutions to indicate an intention to have something happen down the line that may cause the Commission to initiate something. Commissioner Williams says that can be a separate motion. She says she seconds Commissioner Pearson's motion, as amended, to approve staff recommendation related to the sphere issues.

Commissioner Bagley comments that the problem he has with the staff recommendation is that it just makes sphere adjustments and does not address the consolidation issue. He says there needs to be a County-wide review of RCDs and that he feels it is time that they go away and that their share of property tax revenues be redistributed to the local governments. He says LAFCO's charge is to look for efficiency in government; that RCDs are not an efficient use; and that he does not want to throw this to the State for a decision. Rather than staff recommendation, he says he would rather see a full service review on the validity of RCDs in this County; that they should present reasons for their existence; and that one of staff's alternatives would be for RCDs to disappear, their share of the property tax revenues be redistributed, and the County and cities take up grant writing functions. He adds that one alternative may be that no changes take place.

Ms. McDonald reiterates that Mojave Desert RCD will need to be advised that there will be a further service review to address the validity of RCDs County-wide.

Commissioner Pearson asks whether the issue of consolidation can be included in his motion. Mr. Alsop says Commissioner Williams raised that issue and he says that can be a separate motion. He says that before the Commission today is the issue of the service reviews and spheres of influence. He says the Commission does not have before it a LAFCO-initiated proposal to consolidate or dissolve any districts, although he says the Commission has that authority but it would take staff work to evaluate that issue. He says the question is whether or not they want to do something today on the service review/sphere issues or whether they want to continue this issue for a more comprehensive picture.

Commissioner Bagley says he does not have a problem with the motion on the floor for staff recommendation, but he says he wants this issue to come back before the Commission quickly, and not a year from now. He says that can be a follow up motion.

Ms. McDonald states that as part of the resolutions to come back for adoption in February, staff can make clear in the findings that the spheres have been altered but here is the direction the Commission is going in, and this issue should come back to the Commission as soon as possible. Commissioner Bagley says that is the intent of his dialogue—that LAFCO's job is to look at these efficiencies and make recommendations. Commissioner Sedano says he thinks this will be the start of what Commissioner Bagley and all the Commissioners want and he says people are being put on notice.

Commissioner Pearson calls for the question. Chairman Smith asks for any objections to the motion, as amended, to approve staff recommendation. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Postmus.

Commissioner Bagley asks Mr. Alsop, as a matter of procedure, whether it is appropriate for him to move that the issue of a County-wide review of RCDs come back to the Commission, since it is not an item on the agenda. Mr. Alsop explains that under the Brown Act, the proposed motion is an integral part of what has just been discussed. He says the Commission cannot make any decisions, but can put forward its desire that this issue come back, since it relates to what the Commission has already been talking about.

Commissioner Bagley moves, seconded by Commissioner Pearson, to direct staff to come back as soon as possible with a County-wide service review of RCDs and alternatives for their future existence. Chairman Smith asks for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Postmus.

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**REVIEW PROPOSALS FOR PERSONNEL STUDY - APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to consider proposals presented for a personnel study related to staff job descriptions and Terms of Employment documents. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Ms. McDonald states that at the November hearing, the Commission considered staff's presentation of job descriptions and reclassifications of positions for the LAFCO office and requested that staff gather proposals for an outside review of the proposed job descriptions and the Commission's Terms of Employment. She reports that the Commission has been presented with two proposals, one from Alcock & McFadden, an outside human resources service that has worked closely with Orange County LAFCO and is familiar with LAFCO and its issues, and one from the County Human Resources Department. She says the differences between the two proposals are outlined in the staff report, noting that Alcock & McFadden will bill on a time and materials basis, not to exceed \$2,000, and that the County's estimated cost is \$3,162. She says Alcock & McFadden indicates it will be ready to present its recommendations in March, if authorized today, and that the County, depending upon the completion of supplementary documentation, anticipates it will be ready to present its recommendations in April.

Ms. McDonald says that since both proposals provide the review and evaluation the Commission requested, and since both providers are highly competent and skilled, the key to staff is the timing and cost. On that basis, she says the staff recommendation is that the Commission: (1) authorize her to contract with the firm of Alcock & McFadden for Human Resources support for review and recommendation regarding the job descriptions and Terms of Employment documents; and (2) authorize an initial payment of \$750 from Account No. 2445 (Other Professional Services).

Chairman Smith opens the public hearing and asks if there is anyone present wishing to discuss this item. There is no one and he closes the hearing.

Commissioner Sedano states this is a "no brainer" since the Commission is in the market to save money.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven.

Commissioner Hertzmann states that he totally disagrees with Commissioner Sedano. He says that with the difference in labor rates, he guesses they are comparing a 16-20 hour job from the outside contractor against a 49-69 hour job from the County. He says the basic difference is whether or not enough material is presented so that Phase 2 of the County's proposal is not required. He points out that if Phase 2 is not required, then the County's cost estimate is \$2,338 rather than \$3,162 and says he feels there is likely to be more for the dollar in the County's effort. He says the County's proposal is better laid out and notes that if Phase 2 is not required, then the presentation schedules are the same. He says if Phase 2 is required for the County's review, then it probably will be, or should have been, required for the other provider. He says if both providers are competent, as Ms. McDonald indicated, he is happier with the County's proposal.

Chairman Smith states he will abstain from voting on this item as he is very familiar with one of the providers and knows staff wants this study done within this year. He comments that he is sure the other Commissioners know to what he is referring.

Ms. McDonald states that the County Human Resources Department is unfamiliar with LAFCO and its process and the functions it performs. She points out that Alcock & McFadden worked with Orange County LAFCO on a number of processes and has conducted and compiled some information already that can be used in reviewing the job descriptions and pay issues. She says that is one of the

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perspectives staff evaluated. She adds that LAFCO is an independent body and there is a perception that an outside entity should look at what its staff does. However, she says staff contacted the County as directed by the Commission.

Commissioner Curatalo states that he would tend to support Ms. McDonald's recommendation, based on her experience and familiarity with the two parties, and says he is very comfortable with her opinion.

Chairman Smith calls for any objections to Commissioner Pearson's motion for approval of staff recommendation. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Williams. Noes. None. Abstain: Smith. Absent: Biane and Postmus.

**PENDING LEGISLATION**

Ms. McDonald states she has no pending legislation report to present, other than to indicate that the Commissioners might want to look at SB 407 by Senator Torlakson. She says that bill talks about the issue of enterprise districts and the share of their property tax funding and potential adjustments to remove 70% of that property tax and transfer it to ERAF funding. She says this is an issue she is tracking and will provide a copy of that bill at the next hearing.

Ms. McDonald says the Commissioners have been presented with an updated copy of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, which she notes contains a listing of bills that have taken effect this year and affect the Commission. She points out that an important change for city annexations is that now there must be a discussion of the loss of regional housing numbers by the County, with a gain for cities. She says staff will meet with County Planning staff to try to develop a way to evaluate this issue.

Ms. McDonald says the Commissioners have also been presented with a copy of "Integrity and Accountability--Exploring Special Districts' Governance", which she says is an outgrowth of SB 456. She explains this was a study undertaken by Senator Ortiz and was initially put forward because of questions posed by the *Sacramento Bee* related to the Sacramento Suburban Water District and inappropriate uses of its revenues, stipend payments, benefits and other things for the members of its Board of Directors. She says she will keep the Commission apprised about this legislation.

Chairman Smith comments that he heard Senator Ortiz speak at ACWA. He says she spoke about special districts but never mentioned the issue of enterprise/non-enterprise or independent/dependent districts. He says legislators need to be educated about special districts.

Legal Counsel Clark Alsop states that CALAFCO testified at the hearing of the Senate Local Government Committee and he says LAFCOs were viewed by the staff of that Committee as having oversight over the operation of these districts. Chairman Smith says the legislators are thinking about having all special districts' money go into the County and then having the County dole it out to the districts--which he says would change them from independent to dependent districts. Ms. McDonald reports that at the Special Districts Association dinner on Monday night the speaker, Peter Detweiler, indicated that one element of the bill is mandatory, documented ethics training for members of boards of directors, general managers, and key staff members.

Mr. Alsop reports that the CALAFCO Legislative Committee will meet in late February or early March to review and comment on the bills that will be in by that time. Commissioner Williams asks him whether he knows if CALAFCO has taken a position on the Governor's consolidation issue. She says a lot of consolidating has been started, is already in place, or just needs "extra fire" from the Governor's office to encourage LAFCOs to administer AB 2838. She says it would be a shame to create an entity that has no awareness of special districts or LAFCOs or what they do.

(It is noted that Commissioner Hertzmann leaves the hearing at 11:02 a.m.)

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Mr. Alsop says the CALAFCO Executive Board will meet this Friday and he says he can present these concerns to the Board. Commissioner Williams comments that she would like CALAFCO's opinion on this. Ms. McDonald says it would be appropriate for the Commission to direct Mr. Alsop to convey these concerns to the CALAFCO Executive Board.

**EXECUTIVE OFFICER'S ORAL REPORT**

Ms. McDonald says that the next hearing will be on February 18 and that the agenda will include a service contract from the City of San Bernardino, annexation to the West Valley Mosquito and Vector Control District, a service review for the City of Loma Linda, and noting receipt of two City of Hesperia applications. She points out that the size of the Status of Pending Proposals report is growing. She says the dissolution of the Barstow Park and Recreation District will be considered in March; that the City of Upland will be submitting an application for the annexation of its small island; that the City of Big Bear Lake will be submitting an application for annexation; and that the community of Lake Arrowhead Woods is still considering the issue of incorporation. She reports that staff is working with representatives in the Big Bear Valley area on an application for consolidation of fire protection services into a single entity for the Big Bear Valley area.

Commissioner Pearson asks whether the upcoming annexations to Hesperia will give the City seven percent of the property tax revenues. Ms. McDonald responds that she has been told that the City will receive seven percent. However, she says she was also told that about the Fontana annexation, but that is not what was provided for in the resolution that was adopted. She says she, as well as the City of Hesperia representatives, are diligently watching this issue.

**COMMISSIONER COMMENTS**

Chairman Smith calls for comments from the Commissioners. There are none.

**COMMENTS FROM THE PUBLIC**

Chairman Smith calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS  
ADJOURNED AT 11:07 A.M.**

**ATTEST:**

\_\_\_\_\_  
**DEBBY CHAMBERLIN**  
Clerk to the Commission

**LOCAL AGENCY FORMATION COMMISSION**

\_\_\_\_\_  
GERALD W. SMITH, Chairman